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E.O. 12958: DECL: 01/08/2017  
TAGS: [PREL](#) [KNNP](#) [KN](#) [PARM](#) [FR](#) [GE](#) [IT](#) [UK](#)

SUBJECT: ADDITIONAL IRAN DESIGNATIONS UNDER E.O. 13382

Classified By: Classified by ISN PDAS Patricia A. McNerney,  
Reasons: 1.4 (b) and (d).

[¶1.](#) (SBU) This is an action request, please see paragraph 2.

#### OBJECTIVES

[¶2.](#) (SBU) Washington requests that addressees provide courtesy pre-notification OOB, Tuesday, January 9 (local time) to host government officials that the United States will designate two additional entities and one individual under E.O. 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters") on January 9, 2007 at 10:30am EST for their support for Iranian entities engaged in proliferation activities. Host governments should be informed that this information is embargoed until after the designations have been publicized in the United States. Washington informed the Embassies of France, Germany, Italy, and the United Kingdom of the designations on January 8. These designations are aimed at protecting the U.S. financial system from ongoing proliferation financial activity facilitated by Bank Sepah and persons owned or controlled by, or acting or purporting to act on behalf of, Bank Sepah. Addressees are requested to provide the non-paper in paragraph 4 to host government officials.

#### REPORTING DEADLINE

[¶3.](#) (U) Public announcement of the designation in the U.S. will occur at January 9, 2007 at 10:30am EST. Please report delivery of the U.S. non-paper and any immediate response by January 9, 2007. Please slug replies for ISN, T, TREASURY, EUR and NEA.

#### BACKGROUND/NONPAPER

[¶4.](#) (S/REL TO UK, FRANCE, GERMANY and ITALY) Begin text of background/non-paper for UK, FRANCE, GERMANY and ITALY:

The U.S. would like to inform your government that the U.S. Treasury Department will designate two additional entities and one additional individual for their support for proliferation activities by Iranian entities pursuant to Executive Order (E.O.) 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters"), an authority aimed at freezing the assets of proliferators of weapons of mass destruction and their supporters and prohibiting transactions and trade between those designated entities and banks in U.S. jurisdiction, on January 9, 2006.

The United States has used E.O. 13382 to designate eight other Iranian entities as proliferators or supporters of proliferation activities.

This information is embargoed until after the publication of the designations by an official statement from the U.S. Treasury Department.

The following names will be added to Treasury's Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons ("SDN list") and published in the U.S. Federal Register pursuant to Executive Order 13382.

¶1. BANK SEPAH, Imam Khomeini Square, P.O. Box 11364-9569, Tehran, Iran: all offices worldwide (NPWMD)

¶2. BANK SEPAH INTERNATIONAL, PLC, 5/7 Eastcheap, London, EC3M 1JT, United Kingdom (NPWMD)

¶3. AHMAD DERAKHSHANDEH, c/o Bank Sepah, No 33 Hormozan Building, Pirozan St., Sharak Ghods, Tehran, Iran; DOB 11 August, 1956; POB Iran (NPWMD)

Bank Sepah is being designated for providing financial support and services for three entities previously designated for proliferation activities under E.O. 13382: the Aerospace Industries Organization (AIO), the Shahid Hemmat Industries Group (SHIG), and the Shahid Bakeri Industries Group (SBIG). Bank Sepah International, PLC, UK and Ahmad Derakhshandeh are being designated because they are owned or controlled by, or act or purport to act for or on behalf of, Bank Sepah.

These designations are one part of the U.S. strategy to counter the proliferation of weapons of mass destruction.

The U.S. action also helps to implement UN Security Council Resolution 1737, which requires States to prevent assistance to Iran related to its nuclear and delivery system programs. As you know, SHIG and SBIG were included in the Annex of UNSCR 1737.

SBIG is also involved in Iran's missile programs. Among the weapons SBIG produces are the Fateh-110 missile, with a range of 200 kilometers, and the Fajr rocket systems, a series of North Korean-designed rockets produced under license by SBIG with ranges of between 40 and 100 kilometers. Both systems are capable of being armed with at least chemical warheads.

SHIG is responsible for some of Iran's ballistic missile programs, most notably the Shahab series of medium range ballistic missiles which are based on the North Korean-designed No Dong missile. The Shahab is capable of carrying chemical, nuclear, and biological warheads and has a range of at least 1300 kilometers. SHIG has received help from Russia, China and North Korea in the development of this missile.

Both SHIG and SBIG are affiliates of Iran's AIO, which is a subsidiary of the Iranian Ministry of Defense and Armed Forces Logistics, and is the overall manager and coordinator of Iran's missile program. AIO oversees all of Iran's missile industries. The United States intends to propose the designation of AIO to the UNSCR 1737 Committee.

One way States should implement the requirements of the resolution is to refrain from facilitating Iran's nuclear or missile programs by ceasing dealings with entities involved in these activities and blocking or seizing accounts or transactions associated with such programs or activities.

The U.S. actions today are aimed at ensuring that Iranian entities engaged in ballistic missile proliferation - AIO, SHIG, and SBIG-are not able to fund these activities using the U.S. financial system.

It is critical that the international community present Iran with a consistent and uniform front to press Iran to comply with its obligations and seek swift, full and effective implementation of the measures contained in UNSCR 1737 by all UN members.

We therefore urge your government to undertake similar actions against Bank Sepah, AIO, SHIG, and SBIG, and to investigate financial relationships and transactions in which Bank Sepah and other E.O. 13382 designated Iranian proliferation entities have an interest.

We look forward to working with you on this and other related security matters and are prepared to provide additional assistance as appropriate.

End background/non-paper.

POINT OF CONTACT

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15. (U) Questions may be directed to ISN/CPI (Michelle New, 202-647-0186, or Jennifer Chalmers, 202-647-9715).  
RICE

NNNN

End Cable Text